



## **Red Eléctrica Group welcomes KKR as a long-term strategic partner in Reintel and strengthens its position in the telecommunications sector**

December 17, 2021

- Reintel is the leading dark fibre infrastructure operator in Spain with a network of over 52,000 km
- KKR will acquire a significant minority stake in Reintel for EUR 971 million, implying an enterprise value of EUR 2.3 billion for the entire business (22.1x EV/2021E EBITDA).
- Both shareholders are fully committed to long-term value creation for Reintel

**Madrid, 16 December 2021** - The Board of Directors of Red Eléctrica Group has approved an agreement reached via its subsidiary Red Eléctrica Corporación with KKR, on the terms of an investment by KKR in Reintel, the leading dark fibre infrastructure operator in Spain. The transaction comes after a four-month sale process which attracted the interest of several infrastructure funds.

As part of the transaction, KKR will acquire a 49% stake in Reintel for a total of EUR 971 million. Red Eléctrica Group will continue to be the controlling shareholder and will retain accounting consolidation of Reintel.

The agreed transaction value represents an enterprise value of EUR 2.3 billion for 100% of the business, implying an EV/2021E EBITDA of 22.1 times, unlocking hidden value in Red Eléctrica Group and demonstrating Reintel's leadership position in the Spanish dark fibre market.

Both shareholders are fully committed to creating long-term value for Reintel, underpinned by the company's existing strong position in the dark fibre market and the deployment of resources by KKR to support its ongoing business and harness future growth opportunities.

- KKR is making the investment in Reintel through its core infrastructure strategy which focuses on investing in high quality assets in developed OECD markets. This will afford long-term strategic support for Reintel.
- KKR's extensive experience investing in critical infrastructures in Spain and across the world will allow Reintel to accelerate growth by harnessing multiple business opportunities in the years ahead, such as the roll-out of 5G.

This transaction represents a key milestone in Red Eléctrica Group's 2021-2025 Strategic Plan, which provides for the integration of partners into certain strategic assets to allow the Group to harness growth opportunities and optimise the capacity of its telecommunications businesses to generate value.

The transaction will enhance Red Eléctrica Group's financial capacity with a view, among other objectives, to rolling out its 2021-2025 Strategic Plan, which is geared primarily towards driving the energy transition by developing the transmission grid infrastructure required in line with the 2021-2026 Plan.

Roberto García Merino, CEO of Red Eléctrica Group, said: "Following an extremely thorough research process, we are delighted to have reached an agreement with KKR, which will be a highly prestigious, long-term strategic partner to the Group going forward. This agreement clearly underscores the value of the Group's telecommunications activity and will support its future development, reinforcing the essential services we provide to society."

Oleg Shamovsky, Managing Director and Head of Core Infrastructure in Europe at KKR, commented:

"This is a very important strategic partnership for KKR alongside a highly respected blue chip

Spanish corporate. We have been following Reintel's development for many years and are delighted to have the opportunity to invest in this critical telecommunications infrastructure company, and bring to bear KKR's capabilities and experience in the sector as we strategically partner with Red Eléctrica".

The transaction is subject to customary conditions including the applicable regulatory approvals and is expected to close in Q2 2022.

UBS and Barclays acted as financial advisors to Red Eléctrica Group and Garrigues as legal advisor.

### **About Reintel**

Reintel is the leading dark fibre infrastructure operator in Spain. The company has been operating in the telecoms infrastructure business since 1997 and was incorporated by GRE as a separate entity in 2015. The company commercialises a >52,000km network and sites along Red Eléctrica de España's electricity transmission network as well as Adif AV's fibre optic network. Reintel offers a full suite of wholesale dark fibre services to its customers, which include the main telecommunication operators and utilities in the Spanish market, among others.

### **About Red Eléctrica Group**

Red Eléctrica Group is a holding company whose main business is the operation and management of electricity transmission lines. The group's parent company is Red Eléctrica Corporación, a listed company owning several subsidiaries, Red Eléctrica de España being the Group's main company. Red Eléctrica de España is the sole distributor and operator of the Spanish electricity grid and is responsible for the distribution of electricity and operation of the electricity grid in Spain. The company manages and operates over 49,000 km of high voltage lines with very high quality service levels. The Group also manages and leases telecommunications infrastructure through its subsidiaries Hispasat and Reintel.

### **About KKR**

KKR is a leading global investment firm that offers alternative asset management and capital markets and insurance solutions. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people and supporting growth in its portfolio companies and communities. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of The Global Atlantic Financial Group. References to KKR's investments may include the activities of its sponsored funds and insurance subsidiaries. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at [www.kkr.com](http://www.kkr.com) and on Twitter @KKR\_Co.

### **Media Contacts**

#### **Red Eléctrica Group**

Eva Santiago

[eva.santiago@ree.es](mailto:eva.santiago@ree.es)

M: +34 681 226 052

#### **KKR**

Javier Curtichs, Tinkle

[jcurtichs@tinkle.es](mailto:jcurtichs@tinkle.es)

T: +34 91 702 10 10 / M: +34 629 22 40 63